



Press Release

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EIOPA CALLS FOR A EUROPEAN RECOVERY AND RESOLUTION FRAMEWORK FOR (RE)INSURERS

- *EIOPA's Opinion calls for a minimum harmonised and comprehensive recovery and resolution framework for (re)insurers to deliver increased policyholder protection and financial stability in the European Union*
- *Harmonisation of the existing frameworks and the definition of a common approach to the fundamental elements of recovery and resolution will avoid the current fragmented landscape and facilitate cross-border cooperation*
- *EIOPA proposes four building blocks for the minimum harmonised recovery and resolution framework, namely preparation and planning, early intervention, resolution as well as cross-border cooperation and coordination*
- *The harmonised recovery and resolution framework should be aligned with the Solvency II framework and be applied in a proportionate manner*

Frankfurt, 5 July 2017 – Today, the European Insurance and Occupational Pensions Authority (EIOPA) published an Opinion on the Harmonisation of the Recovery and Resolution Framework for (Re)Insurers across the European Union addressed to the European Parliament, the Council of the European Union and the European Commission.

The existing fragmented landscape of national recovery and resolution frameworks could cause significant barriers to the resolution of (re)insurers, particularly of cross-border groups. To reduce this risk, to avoid unnecessary economic cost stemming from uncoordinated decision-making processes between national authorities and to ensure orderly resolution European action is required. Therefore, EIOPA calls for a minimum degree of harmonisation in the field of recovery and resolution for (re)insurers with the objective to increase policyholder protection and financial

stability in the European Union. To achieve this objective EIOPA proposes the following four building blocks where the definition of a common approach is key:

- Preparation and planning
- Early intervention
- Resolution
- Cross-border cooperation and coordination

The harmonised recovery and resolution framework should cover all (re)insurers subject to the Solvency II framework and to be applied in a proportionate manner. The proportionality principle should guide and allow Member States to waive certain requirements of the framework such as developing and maintaining pre-emptive recovery and resolution plans for specific insurers.

Gabriel Bernardino, Chairman of EIOPA, said: *"EIOPA's call for a harmonised European framework for the recovery and resolution of (re)insurers is another important step towards a more robust and stable insurance market for the benefit of policyholders. A comprehensive recovery and resolution framework is essential for effectively dealing with distressed undertakings, particularly in the current macroeconomic environment. National competent authorities need to be equipped with a broad set of powers to establish an effective and orderly resolution. EIOPA will continue its work in the area of recovery and resolution focussing on resolution funding and insurance guarantee schemes."*

The Opinion on the Harmonisation of the Recovery and Resolution Framework for (Re)Insurers across the European Union is available on [EIOPA's website](#).

Notes for Editors:

The **European Insurance and Occupational Pensions Authority (EIOPA)** was established on 1 January 2011 as a result of the reforms to the structure of supervision of the financial sector in the European Union. EIOPA is part of the European System of Financial Supervision consisting of three European Supervisory Authorities, the National Supervisory Authorities and the European Systemic Risk Board. It is an independent advisory body to the European Commission, the European Parliament and the Council of the European Union. EIOPA's core responsibilities are to support the stability of the financial system, transparency of markets and financial products as well as the protection of insurance policyholders, pension scheme members and beneficiaries.